



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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REVISED

October 28, 2004

IN REPLY PLEASE
REFER TO FILE: **PM-2**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**OLIVE VIEW/UCLA MEDICAL CENTER
NEW CONFERENCE CENTER BUILDING
EARTHQUAKE RECOVERY PROJECT
COMPLETION CONTRACT
SPECS. 5622; LACO 517T; C.P. 77185
SUPERVISORIAL DISTRICT 5
4 VOTES**

JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR BOARD:

Approve the enclosed appropriation adjustment to reestablish Capital Project 77185 in the amount of \$1,081,000 for the completion of the replacement Conference Center on the Olive View/UCLA Medical Center campus to be financed through funds paid to the County by the original performance bond surety for the project (American Safety Casualty Insurance Company) as a result of a negotiated tender agreement, as well as through Federal and State disaster assistance funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The original conference center was severely damaged by the 1994 Northridge earthquake and was subsequently demolished.

On September 19, 2000, your Board adopted plans and specifications and approved the replacement of the Conference Center for the Olive View/UCLA Medical Center that established Capital Project 77185. On November 7, 2000, your Board approved awarding the construction contract to Medallion Contractors & Developer (USA), Incorporated, for \$675,782. Due to Medallion's default and failure to satisfactorily

perform the construction work in a timely manner, on June 4, 2002, your Board approved the termination of the contract and authorized the Director of Public Works, with the assistance of County Counsel, to take appropriate measures to complete the project, including negotiations with American Safety Casualty Insurance Company, the contractor's bonding company for the project.

The County recently completed the process of negotiating agreements with ASCIC and Woodcliff Corporation, a general contractor, that provide for the work on the project to be restarted and to be completed in a timely manner. The negotiation process became protracted due to a number of sharply contested issues, including construction materials price escalation factors; the surety's responsibility for latent defects, if any, in the original contractor's work; and the surety's responsibility for liquidated damages attributable to the original contractor's delay. Under the "completion agreement" with the County, Woodcliff agrees to complete construction of the project for the total sum of \$781,000. Under a "tender agreement" with the County, ASCIC agrees to pay the County \$340,305 to supplement the project budget including paying for a portion of the costs necessary for the County to administer project completion as well as to fully cover the shortfall between the remaining \$476,695 in original contract funds and the new completion agreement amount of \$781,000.

In order to implement the recently negotiated tender and completion agreements and, thus, complete this construction project, the recommended appropriation adjustment is required.

Your Board's approval of this appropriation adjustment will enable completion of the construction of a replacement conference center for the Olive View/UCLA Medical Center.

Implementation of Strategic Plan Goals

This action meets the County's Strategic Plan Goal of Fiscal Responsibility by taking appropriate actions to mitigate further project delay and to ensure completion of the capital project and provide the medical center with a replacement conference center.

FISCAL IMPACT/FINANCING

With the construction management oversight provided by the County, Woodcliff will complete the scope of work remaining on Medallion's contract for \$781,000. The revised total project cost of \$1,828,000, includes construction cost, consultant services, plans and specifications, miscellaneous expenditures, and County services. The project

schedule and budget summary are shown in Enclosure A. Approximately \$747,000 in actual expenses have been spent on this capital project to date, which leaves an approximate remaining balance of \$1,081,000 from the revised total project cost of \$1,828,000.

Along with the negotiated amount of \$340,305 from ASCIC, construction of this replacement facility is funded through the FEMA Grant Acceleration Program. Sufficient funds are available through these sources to cover the balance of the estimated project cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Public Works with the assistance of County Counsel has negotiated a tender agreement with ASCIC, as well as a construction completion contract with Woodcliff. The completion contract with Woodcliff includes the standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for contract award, Woodcliff is willing to consider Greater Avenues for Independence Program/General Relief Opportunity for Work participants for future employment.

Woodcliff Corporation is in full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Service Program).

ENVIRONMENTAL DOCUMENTATION

The recommended action will have no impact on the environment. The Mitigated Negative Declaration for the project was approved by your Board on September 7, 1999.

CONTRACTING PROCESS

On November 7, 2000, your Board awarded a \$675,782 construction contract to Medallion for a new conference center building at the Olive View/UCLA Medical Center. On December 21, 2000, Public Works executed Contract Agreement PW 12254 with Medallion. Construction work started March 6, 2001, and as a result of the contractor's default, the contract was terminated June 4, 2002.

The Honorable Board of Supervisors
October 28, 2004
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The original construction contract provided that upon default by the contractor, the County could complete the project through a replacement contractor or take other measures that would not require rebidding of the project.

The tender agreement has been signed by the surety, ASCIC, and the completion contractor, Woodcliff. The completion agreement has been signed by Woodcliff.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on any other budgeted programs or projects as a result of this action.

CONCLUSION

Please return one adopted copy of this letter to CAO and Public Works.

Respectfully submitted,

DONALD L. WOLFE
Interim Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

DC:bb

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Enc.

cc: County Counsel
Department of Health Services
Department of Public Social Services (GAIN/GROW Program)

October 28, 2004

ENCLOSURE A

**OLIVE VIEW/UCLA MEDICAL CENTER
NEW CONFERENCE CENTER BUILDING
EARTHQUAKE RECOVERY PROJECT
COMPLETION CONTRACT
SPECS. 5622; LACO 517T; C.P. 77185**

I. PROJECT SCHEDULE

| Project Activity | Scheduled Completion Date | Revised Completion Date |
|---------------------------------|--|--|
| Project Program | 07/20/98 | |
| Design | | |
| Contract Execution | 05/06/99* | |
| Construction Document Submittal | 04/13/00* | |
| Jurisdictional Approvals | 09/06/00* | |
| Construction Bid and Award | 11/07/00* | |
| Construction | | |
| Notice to Proceed | 03/06/01 | 11/22/04 |
| Substantial Completion | 10/21/02 | 06/23/05 |
| Acceptance | 12/24/02 | 08/10/05 |

*Indicates completed activity

II. PROJECT BUDGET SUMMARY

| Budget Category | Project Budget | Impact of this Action | Revised Project Budget |
|---------------------------------|-----------------------|------------------------------|-------------------------------|
| Construction | | | |
| (a) Construction | \$ 675,782 | \$ 330,305 | \$ 1,006,087 |
| (b) Change Order (10 percent) | <u>67,578</u> | <u>10,522</u> | <u>78,100</u> |
| Subtotal | \$ 743,360 | \$ 340,827 | \$ 1,084,187 |
| Plans & Specs. (Const. Admin.) | \$ 140,500 | \$ 50,200 | \$ 190,700 |
| Consultant Services | \$ 59,900 | \$ 114,700 | \$ 174,600 |
| Miscellaneous Expenditures | | | |
| (a) Printing | \$ 4,700 | -0- | \$ 4,700 |
| (b) Advertising | <u>4,000</u> | -0- | <u>4,000</u> |
| Subtotal | \$ 8,700 | -0- | \$ 8,700 |
| Jurisdiction Reviews/Plan Check | \$ 10,300 | -0- | \$ 10,300 |
| County Services | \$ 213,000 | \$ 146,513 | \$ 359,513 |
| TOTAL | \$ 1,175,760 | \$ 652,240 | \$ 1,828,000 |

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No. 060

DEPARTMENT OF FEDERAL AND STATE DISASTER AID

MAY 25 19 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

4-VOTE MATTER

SEE ATTACHED

JUSTIFICATION: These accounting adjustments are required to reflect the negotiated settlement and appropriation to reestablish the capital project for the completion of the replacement Olive View Medical Center Conference Center.


JAN TAKATA, ASSISTANT DIVISION CHIEF

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

APPROVED (AS REVISED)
BOARD OF SUPERVISORS

CHIEF ADMINISTRATIVE OFFICER

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AUDITOR-CONTROLLER

BY 
MAY 25 2004

No. 302

BY

DEPUTY COUNTY CLERK

Request for Appropriation Adjustment: **4-Vote**

Financial Sources:

Federal/State Disaster Aid
OVMC-Conference Center Replacement
Revenue: State Aid Disaster 94 Equake/CP
A01-FS-77185-8904
\$74,000 Increases revenue budget

Federal/State Disaster Aid
OVMC-Conference Center Replacement
Revenue: Fed Aid Disaster 94 Earthquake/CP
A01-FS-77185-8978
\$667,000 Increases revenue budget

Federal/State Disaster Aid
OVMC-Conference Center Replacement
Revenue: Other Miscellaneous/CP
A01-FS-77185-9923
\$340,000 Increases revenue budget

Federal/State Disaster Aid
Serv&Supplies
A01-FS-26675-2000
\$741,000 Decreases appropriation

Total: \$1,822,000

Financial Uses:

Federal/State Disaster Aid
OVMC-Conference Center Replacement
Bldg and Imprvmts
A01-FS-77185-6014
\$1,081,000 Increases appropriation

Federal/State Disaster Aid
Revenue: State Aid Disaster 94 Equake
A01-FS-26675-8903
\$74,000 Decreases revenue budget

Federal/State Disaster Aid
Revenue: Fed Aid Disaster 94 Earthquake
A01-FS-26675-8970
\$667,000 Decreases revenue budget

Total: \$1,822,000